

Date Mailed September 6, 2002

BEFORE THE

PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of Madison Gas and Electric Company for Approval
to Provide Gas Utility Service to Certain Annexed Areas of the
Village of McFarland, Dane County, Wisconsin

3270-CG-118

**NOTICE OF PROCEEDING
AND ORDER**

THIS IS A PROCEEDING considering the June 26, 2002, application of Madison Gas and Electric Company (MGE) for authority under Wis. Stat. § 196.49 and Wis. Admin. Code ch. PSC 133 to provide natural gas utility service to certain annexed areas of the village of McFarland.

MGE is a public utility corporation engaged in the business of providing natural gas public utility service to customers in Columbia, Crawford, Dane, Iowa, Juneau, Monroe and Vernon counties in Wisconsin, including customers in areas immediately adjacent to the area affected by this application.

On February 1, 2002, Wisconsin Power and Light Company (WP&L) filed an application (docket 6680-CG-147) with the Commission for authority under Wis. Stat. § 196.49, and Wis. Admin. Code ch. PSC 133 to provide natural gas utility service in certain areas annexed to the village of McFarland, Dane County. WP&L subsequently withdrew and revised its application and refiled it on February 15, 2002.

On June 11, 2002, the Commission held a prehearing conference for docket 6680-CG-147. During this pre-hearing conference, MGE indicated that it would be filing an application competing with that of WP&L for providing service in the village of McFarland. In keeping with the Commission's intention expressed in the notice for docket 6680-CG-147, a hearing and filing schedule was established

On June 26, 2002, MGE filed its objection to WP&L's application, and filed its own application for authority to provide natural gas utility service in the same area and a petition for a declaratory ruling on natural gas service territory boundaries in the same area. (See docket 3270-DR-105) In these filings, MGE opposed WP&L's application, requested that the Commission authorize it to provide natural gas utility service in the same area sought by WP&L in its filing, and asked the Commission to establish a service territory boundary to the east of the contested area along the town of Dunn-town of Blooming Grove line that would specify the gas service provider regardless of future annexations in the area.

On July 12, 2002, WP&L submitted to the Commission its objection to MGE's application (docket 3270-CG-118) and petition (docket 32270-DR-105). WP&L believes that the Commission should grant to it the authority to provide gas utility service in the contested area within the village of McFarland and deny MGE's petition for a declaratory ruling.

On August 13, 2002, the parties contacted the Administrative Law Judge and requested and received a delay in the original hearing schedule set in docket 6680-CG-147 to allow more time for discussions regarding a potential territorial agreement.

The Commission orders consolidation of these dockets and will jointly consider the requests of MGE and WP&L, as consolidated docket numbers 3270-CG-118, 3270-DR-105 and 6680-CG-147.

NOTICE IS GIVEN that the Commission considers it necessary, in order to carry out its duties, to investigate all books, accounts, practices, and activities of the applicants. The expenses incurred or to be incurred by the Commission which are reasonably attributable to such an investigation will be assessed against and collected from the applicants in accordance with the provisions of Wis. Stat. § 196.85 and Wis. Admin. Code ch. PSC 5.

This is a Type III action under Wis. Admin. Code § PSC 4.10(3). Since no unusual circumstances have come to the attention of the Commission which indicate that significant environmental consequences are likely, neither an environmental impact statement under Wis. Stat. § 1.11 nor an environmental assessment is required.

The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to obtain this document in a different format should contact the docket coordinator listed below.

Questions regarding this matter may be directed to docket coordinator John R. Vogt at (608) 267-3374.

Dated at Madison, Wisconsin, _____

By the Commission:

Lynda L. Dorr
Secretary to the Commission

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